

**IN THE UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF TEXAS  
DALLAS DIVISION**

TXSE GROUP INC.,

Plaintiff,

v.

TSX INC.

Defendant.

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CIVIL ACTION NO. 3:24-cv-2609

**PLAINTIFF’S ORIGINAL COMPLAINT AND JURY DEMAND**

Plaintiff TXSE Group Inc. (the “Texas Stock Exchange”) alleges as follows against Defendant TSX Inc. (the “Toronto Stock Exchange” or “TSX”) upon actual knowledge with respect to itself and its own acts, and upon information and belief as to all other matters:

**NATURE OF THE ACTION**

1. The Texas Stock Exchange, branded with the mark TXSE, is set to launch in Dallas in 2025. The Texas Stock Exchange will be the first national stock exchange headquartered in Texas and will compete with the New York Stock Exchange (NYSE), the Cboe Exchange Inc. (Cboe) and NASDAQ. The TXSE is set to disrupt an industry that has been slow to innovate and is dominated by a handful of players by building on Texas’s business friendly environment to drive innovation and efficiency for issuers and investors. The Texas Stock Exchange is supported by leading investment management firms and its Board of Directors includes a former U.S. Secretary of Energy and former SEC Commissioner. During a recent celebration for TXSE, Texas Governor Greg Abbott spoke to the importance of TXSE in establishing Texas as the “home of capital markets” in the United States:

Texas has become the home of capital in the United States. Today, our great state is staking claim as a home of capital markets with the addition of the Texas Stock Exchange. This is another step that

expands our financial might in the United States and cements our economic power on the global stage. The Texas Stock Exchange will ensure that businesses have access to capital and that market participants have more choices. Texas is the modern embodiment of the American Dream, where everyone has an opportunity to succeed, and the Texas Stock Exchange will ensure even more businesses have that opportunity.<sup>1</sup>

2. Entrenched interests in the sector are clearly threatened by TXSE and are now working to put up artificial and frivolous legal arguments to stall TXSE. On September 27, 2024, the Toronto Stock Exchange, through its lawyers in New York, delivered a cease and desist letter (the “Cease & Desist”) to TXSE’s counsel demanding that TXSE change its branding under threat of imminent legal action.

3. The Toronto Stock Exchange’s demand is absurd. TXSE is not only obviously different than TSX, but TXSE’s branding is consistent with the naming convention of other stock exchanges in the U.S and across the globe. The New York Stock Exchange is named NYSE. The Tokyo Stock Exchange is called TSE. The Taiwan Stock Exchange is called TWSE. Just as TSE, TWSE, and TSX have coexisted for years, so will TXSE.

4. The timing of the Toronto Stock Exchange’s demand is particularly pernicious. The Texas Stock Exchange publicly filed its trademark application for TXSE with the U.S. Patent and Trademark Office (the “USPTO”) on May 4, 2023. Yet, the Toronto Stock Exchange waited until late September 2024—with the Texas Stock Exchange set to launch next year and amid a flurry of positive publicity for the Texas Stock Exchange—to send its Cease & Desist in an attempt to disrupt the Texas Stock Exchange’s entry to the market. The Toronto Stock Exchange also filed with the USPTO an extension of time to oppose the issuance of the TXSE trademark registration to further hinder the Texas Stock Exchange’s branding efforts.

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<sup>1</sup> See <https://gov.texas.gov/news/post/governor-abbott-celebrates-texas-stock-exchange-at-governors-mansion>.

5. To ensure that the rollout of TXSE is not impeded and Texas is established as a “home of capital markets,” the Texas Stock Exchange files this complaint seeking a declaratory judgment that whatever rights the Toronto Stock Exchange may have in TSX, if any, those rights are *not* infringed by TXSE.

### **THE PARTIES**

6. The Texas Stock Exchange is a Delaware corporation operating in Texas and set to launch the TXSE in Dallas in 2025.

7. TSX Inc. is a Canadian corporation that operates a stock exchange in Toronto, Canada.

### **JURISDICTION AND VENUE**

8. This Court has jurisdiction over the subject matter of this action pursuant to 15 U.S.C. § 1121 and 28 U.S.C. §§ 1331, 1338.

9. The Toronto Stock Exchange has knowingly and intentionally directed its improper threats of litigation at this District, including its claim of trademark infringement arising from the forthcoming operation of the Texas Stock Exchange in Dallas. Further, upon information and belief, an affiliate of the Toronto Stock Exchange (TSX US Inc.) is registered with the Texas Secretary of State to do business in Texas. Toronto Stock Exchange also owns the TSX Registrations (as defined *infra*) and claims to use the TSX Marks (as defined *infra*) in U.S. Commerce. Toronto Stock Exchange is also subject to personal jurisdiction pursuant to Federal Rule of Civil Procedure 4(k). Venue lies in this District pursuant to 28 U.S.C. § 1391 because a substantial part of the events giving rise to the Texas Stock Exchange’s claims have occurred and are continuing to occur in this District and because TSX is subject to personal jurisdiction in this District.

## **FACTS RELEVANT TO THE CLAIMS FOR RELIEF**

### **The Texas Stock Exchange (TXSE)**

10. The Texas Stock Exchange believes that healthy and robust competitive markets are essential to America's economic strength and foundational to our free-enterprise system. But the number of publicly traded companies has fallen by more than 40% in the past 25 years. As set forth in TXSE press materials: "The status quo isn't cutting it. It's time for something new."

11. The Texas economy has a gross domestic product of \$2.6 trillion annually and more than 1 in 10 U.S. publicly traded companies are headquartered in Texas. Thus, Dallas is the natural home for an insurgent stock exchange, and the TXSE intends to expand opportunities to access the public markets for new companies and preserve access for existing issuers.

12. TXSE has already raised more than \$145 million in funding and is supported by leading business, capital markets, and political leaders. TXSE will ultimately create more competition around quote activity, liquidity and transparency, resulting in more consistent and reliable markets that benefit investors, global issuers and liquidity providers alike, as described on its website:



13. On May 4, 2023, the Texas Stock Exchange filed application Serial No. 97/921,188 (the "TXSE Application") to have the USPTO register the TXSE mark for the following services:

- Collection and compilation of information into computer databases in the field of stock market information, quotations, orders, market transactions; Calculation, recordation, compilation and systematization of statistics and indexes concerning securities trading, financial interests, prices, exchange rates and other economic data concerning securities for business purposes; providing and updating securities

index; providing values and classification, analysis, and reporting of securities index; Compiling stock exchange trade and quote, index value and other financial market information for business purposes.

- Financial services, namely, conducting a securities exchange, providing clearing and settlement services for stocks, equity indices, contracts on stocks, bonds, options, equities, futures, other securities and currencies; financial administration of stock exchange trading of shares and other financial securities in financial markets; providing financial information and securities market information; securities exchange price quotation services; providing financial information in the nature of stock market information, quotations, orders, market transactions

14. On June 5, 2024, the Texas Stock Exchange issued a press release announcing its receipt of funding and plans to launch and operate the TXSE<sup>2</sup>:

DALLAS, June 5, 2024 /PRNewswire/ – TXSE Group Inc. announced today that it plans to launch the Texas Stock Exchange (TXSE), headquartered in Dallas. TXSE will focus on enabling U.S. and global companies to access U.S. equity capital markets and will provide a venue to trade and list public companies and the growing universe of exchange-traded products. TXSE will be a fully electronic, national securities exchange that will seek registration with the U.S. Securities and Exchange Commission.

15. Prominent TXSE branding has been an important part of the rollout of the Texas Stock Exchange in press releases, media appearances, and the TXSE website, which includes this TXSE logo:



16. TXSE will operate in Dallas at a planned Texas Market Center facility with corporate offices, a conference center for regional, national, and global gatherings, and an iconic bell-ringing venue and broadcast center, as shown in the following design:

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<sup>2</sup> <https://www.prnewswire.com/news-releases/txse-group-inc-announces-plans-to-create-the-texas-stock-exchange-302164049.html>



17. The Texas Stock Exchange has already launched several marketing initiatives and consistently brands its offerings with the TXSE mark:

<b>LIST</b> TX SE	<p>TXSE will be a national securities exchange that aims to provide a compelling alternative for existing companies to transfer their listings to TXSE and enable high-growth companies to access the public markets sooner.</p>
<b>TRADE</b> TX SE	<p>TXSE plans to offer listings for corporate issuers in the U.S. and globally, as well as for ETPs. In our home base within the southeast quadrant (seQ) of the U.S. alone, we have a strong foundation of support with nearly 1,000 public companies and 14,000 sponsor-backed companies.</p> <p>TXSE's fully electronic trading platform aims to bring innovation and competition to the U.S. equity trading markets, including on connectivity fees and market data.</p>
<b>TX SE DIGITAL</b>	<p>TXSE intends to competitively offer market data to various subscribers and a range of index products. Our core trading infrastructure has been designed for low-latency, reliability, and simple connectivity.</p>



18. The highly-anticipated launch of TXSE has been the subject of substantial media attention, including more than 1,400 articles and media mentions worldwide and more than one billion impressions on social media since June 2024<sup>3</sup>:



EMIL LENDOF/THE WALL STREET JOURNAL, ISTOCK

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June 4, 2024 8:00 pm ET



<sup>3</sup> <https://www.ft.com/content/da5be183-c339-42d2-b1e4-1aad83568d1c>;  
<https://www.wsj.com/finance/regulation/new-texas-stock-exchange-takes-aim-at-new-yorks-dominance-e3b4d9ba>; <https://www.nytimes.com/2024/06/05/business/texas-stock-exchange.html>.

19. TXSE will launch in 2025.

**The Toronto Stock Exchange (TSX)**

20. The Toronto Stock Exchange is a legacy stock exchange based in Toronto, Canada. Upon information and belief, the Toronto Stock Exchange operates on the Canadian Dollar and its operations are based in Canada.

21. The Toronto Stock Exchange uses the TSX brand:



22. Upon information and belief, the Toronto Stock Exchange does not offer stock exchange services within the United States. Instead, any orders to purchase or sell securities listed on the TSX are sent to Canada. In fact, securities exchanges that operate within the United States are registered with the U.S. Securities and Exchange Commission as “national securities exchanges.” Because the Toronto Stock Exchange does not offer securities exchange services within the United States, it is not registered with the SEC as a “national securities exchange.”

23. Despite the fact that it does not operate a stock exchange in the United States, the Toronto Stock Exchange secured U.S. Trademark Registration No. 2983517 for the mark TSX, for, among other things, the following services: “Recording, computing, analysis and reporting of information regarding trading of financial instruments and securities; operation of a stock exchange and stock market for trading in financial instruments and securities; establishing and issuing financial instruments and securities; analysis and reporting information relating to such trading, facilitation of on-line trading of financial instruments and securities and on-line financial information services.”



**Toronto Stock Exchange's Cease & Desist Threat of Litigation**

24. On or about September 27, 2024, counsel for Toronto Stock Exchange sent the Cease & Desist to counsel for the Texas Stock Exchange. In the Cease & Desist, Toronto Stock Exchange asserts ownership of “nationally enforceable federal trademark rights,” including the following U.S. federal registrations: TSX (Reg. No. 2983517); TSX VENTURE EXCHANGE (Reg. No. 2986092); TSXV (Reg. Nos. 4376986 and 7435511); TSX MARKETS (Reg. No. 2986091); and TSX COMPLIANCE ALERTS REPORTING SYSTEM (Reg. No. 3717353) (collectively, the “TSX Registrations” or “TSX Marks”).

25. In the Cease & Desist, Toronto Stock Exchange expressly accuses the Texas Stock Exchange of trademark infringement: “The substantial similarity of [the TXSE] marks with TSX’s marks for the same services creates a significant likelihood of confusion. We trust that you agree that avoiding market confusion is in the best interest of both companies. We are, therefore, bringing this matter to your immediate attention before you make any further commitments or investments in your current marketing strategy based on the infringing marks.”

26. Upon information and belief, Toronto Stock Exchange must have known about the Texas Stock Exchange and its TXSE mark in May 2023 when the TXSE Application was filed or, at the very least, in June 2024 when TXSE issued a press release leading to substantial press coverage. Despite this knowledge, Toronto Stock Exchange waited many months before sending the Cease & Desist in order to disrupt the impending launch of TXSE in 2025.

27. In the Cease & Desist, attached hereto as **Exhibit A**, Toronto Stock Exchange makes several “demands”:

- a) “The Texas Stock Exchange immediately stop any and all use of the TXSE or TXSX mark, including but not limited to, on any marketing material, either written or electronic;”
- b) “Immediately cease and desist using TXSE, TXSE GROUP, or TXSX in all advertising, marketing, promotional campaigns, including, but not limited to, your website, and all other online internet sites.”
- c) “Immediately cease and desist using the term TXSE, TXSE GROUP, or TXSX, or any mark confusingly similar thereto, in association with the operation of a financial exchange and services related thereto.”
- d) “Withdraw and abandon United States trademark application for TXSE, U.S. Application No. 97/921,188.”

28. On or about October 9, 2024, Toronto Stock Exchange filed with the USPTO a 90-day extension of its time to oppose registration of the TXSE mark.

29. Toronto Stock Exchange’s demands and threat of litigation are meritless. As a threshold matter, it does not appear that Toronto Stock Exchange properly owns *any* U.S. trademark rights relating to stock exchange services. As set forth above, Toronto Stock Exchange does *not* operate a stock exchange within the United States. Accordingly, it cannot own U.S. trademark rights for stock exchange services, which can only be derived from providing stock exchange services in U.S. commerce. Accordingly, the TSX Registrations should be cancelled to the extent they are not supported by use in U.S. commerce.

30. Moreover, as set forth above, both TXSE (Texas Stock Exchange) and TSX (Toronto Stock Exchange) use the well-established naming convention for the industry, which includes NYSE (New York Stock Exchange), TSE (Tokyo Stock Exchange), and TWSE (Taiwan

Stock Exchange). Like stock ticker symbols, the use of acronyms is widely accepted and understood by users of stock exchanges. Just as AMGN (Amgen), AMZN (Amazon), and AZN (AstraZeneca) can co-exist as stock symbols, so can TXSE and TSX as stock exchanges in different countries.

31. Moreover, as stock exchanges operate within a single governmental jurisdiction, stock exchanges in different countries can share the exact same marks. For example, TSE is the mark used by both the Tokyo Stock Exchange and the largest stock exchange in Iran, the Tehran Stock Exchange. Similarly, IEX is the mark used by both the Indian Energy Exchange and the Investors Exchange LLC in the U.S.

32. TXSE and TSX, to the extent Toronto Stock Exchange uses its TSX Marks in U.S. commerce at all, are also not sufficiently similar to result in a likelihood of consumer confusion. TXSE has four letters, while TSX has three. TXSE uses an “E,” which TSX does not. And “X” comes before “S” in TXSE, while “X” is after “S” in TSX. Moreover, the “TX” in TXSE uses the well-known postal abbreviation for Texas. And the parties use dissimilar logos:



33. A dispute currently exists between the parties relative to their respective marks and their uses thereof, and with respect to Toronto Stock Exchange’s litigation threats and its demand that Texas Stock Exchange cease and desist using its TXSE marks.

34. By virtue of the foregoing, Texas Stock Exchange is compelled to seek a declaration from this Court that: (i) Toronto Stock Exchange does not own any U.S. trademark

rights to the TSX Marks for stock exchange services; and (ii) Texas Stock Exchange's TXSE marks do not infringe any trademark rights the Toronto Stock Exchange owns in the TSX Marks.

### **CLAIMS FOR RELIEF**

#### **COUNT I: DECLARATION OF NON-INFRINGEMENT**

35. All preceding paragraphs are incorporated herein as if set forth in full.

36. An actual and immediate controversy has arisen and now exists between Texas Stock Exchange and Toronto Stock Exchange concerning whether Texas Stock Exchange has infringed and is infringing the alleged TSX Marks.

37. Toronto Stock Exchange claims that it has protectable trademark rights in the TSX Marks.

38. Toronto Stock Exchange has asserted that Texas Stock Exchange's TXSE marks infringe the TSX Marks and has threatened claims of trademark infringement. These acts and others have created reasonable apprehension on the part of Texas Stock Exchange that Toronto Stock Exchange will bring an action against Texas Stock Exchange for trademark infringement.

39. There is no likelihood of confusion as to the relevant marks, and the usage of TXSE by Texas Stock Exchange does not infringe upon any valid trademark rights of Toronto Stock Exchange.

40. There is no likelihood of confusion, because, *inter alia*, Toronto Stock Exchange lacks enforceable trademark rights in connection with the TSX Marks due to its failure to use those marks in U.S. commerce.

41. There is no likelihood of confusion, because, *inter alia*, the parties' respective services are offered through different and separate geographic areas.

42. There is no likelihood of confusion, because, *inter alia*, the parties' respective marks are not sufficiently similar.

43. Texas Stock Exchange desires a judicial determination of the parties' rights and duties with respect to the putative trademark rights asserted by Toronto Stock Exchange.

44. Texas Stock Exchange seeks declaratory relief pursuant to 28 U.S.C. § 2201 and Federal Rule of Civil Procedure 57, confirming that its use of the TXSE marks does not infringe upon any valid trademark rights of Toronto Stock Exchange.

45. A judicial declaration is necessary and appropriate at this time so that the parties may proceed in accordance with their respective rights as determined by the Court

## **COUNT II: CANCELLATION OF THE TSX REGISTRATIONS**

46. All preceding paragraphs are incorporated herein as if set forth in full.

47. Toronto Stock Exchange claims that it has protectable trademark rights in the TSX Marks and has asserted the TSX Registrations against Texas Stock Exchange, claiming that the TXSE marks set forth in the Cease & Desist infringe the TSX Marks.

48. As set forth further above, Toronto Stock Exchange lacks enforceable trademark rights in connection with the TSX Marks due to its failure to use those marks in U.S. commerce.

49. Toronto Stock Exchange does not operate a stock exchange or offer other related services in U.S. commerce as listed in the TSX Registrations, including, without limitation, the following: "Recording, computing, analysis and reporting of information regarding trading of financial instruments and securities; operation of a stock exchange and stock market for trading in financial instruments and securities; establishing and issuing financial instruments and securities; analysis and reporting information relating to such trading, facilitation of on-line trading of financial instruments and securities and on-line financial information services."

50. Pursuant to Section 37 of the Lanham Act (15 U.S.C. § 1119), the Court should cancel the TSX Registrations to the extent those registrations are not supported by use of the marks in U.S. commerce by Toronto Stock Exchange.

**PRAYER FOR RELIEF**

**WHEREFORE**, Texas Stock Exchange respectfully requests that this Court enter judgment in its favor and against Toronto Stock Exchange, as follows:

- (A) Declaring that Texas Stock Exchange's TXSE marks do not create a likelihood of confusion with and do not infringe the putative TSX Marks, that Texas Stock Exchange is entitled to continue using its TXSE marks, and that Toronto Stock Exchange has not sustained any damages as a result of Texas Stock Exchange's use of the TXSE marks;
- (B) Cancelling the TSX Registrations as a result of Toronto Stock Exchange's failure to use the TSX Marks in U.S. commerce for each of the goods and services set forth in the TSX Registrations; and
- (C) Granting Texas Stock Exchange such other and further relief as this Court may deem just and proper.



**JURY DEMAND**

Texas Stock Exchange hereby demands a trial by jury on all claims and issues triable by a jury.

Dated: October 16, 2024

Respectfully submitted,

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